



Consolidated Results

Third Quarter of the Fiscal Year Ending February 29, 2012

(Nine-months period ended November 30, 2011)

Gulliver International Co., Ltd.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions made and beliefs held by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions and the pricing and product initiatives of new and existing competitors.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

Third quarter results for the fiscal year ending February 29, 2012

January 5, 2012

Gulliver International Co., Ltd.

Stock Code: 7599

http://www.glv.co.jp/

Chairman: Kenichi Hatori

Scheduled date for the submission of the financial report: January 13, 2012

Scheduled date for distribution of dividends: --

Appendix materials prepared to accompany this report: Yes

Investor conference call: None

Holding of earnings performance review: None

Listed exchanges: Tokyo (1st Section)

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1. Consolidated financial results for the Nine-months period ended November 30, 2011

1) Consolidated operating results

	Nine months ended November 30, 2011		Nine months ended November 30, 2010	
		(% change)		(% change)
Sales.....	103,345	(4.9)	108,666	(6.6)
Operating income	5,719	(4.8)	6,008	(13.3)
Ordinary income	5,727	(2.2)	5,857	(11.9)
Net income.....	3,619	(30.1)	5,175	71.4
Earnings per share (¥)	357.09	--	561.97	--
Fully diluted earnings per share (¥)	357.05	--	561.70	--

Millions of yen, rounded down

2) Financial position (Consolidated)

	As of November 30, 2011	As of February 28, 2011
	Total assets	55,453
Net assets.....	27,127	24,891
Shareholders' equity ratio (%).....	48.9	41.6
Shareholders' equity per share (¥).....	2,675.98	2,454.79

Millions of yen, rounded down

Shareholders' equity: As of November 30, 2011: ¥27,125 million
As of February 28, 2011: ¥24,883 million

2. Dividends

	Fiscal year ended February 28, 2011	Fiscal year ending February 29, 2012	Fiscal year ending February 29, 2012(Forecast)
	First Quarter dividend per share (¥)	--	--
Interim dividend per share (¥)	31.00	74.00	--
Third Quarter dividend per share (¥).....	--	--	--
Year-end dividend per share (¥)	62.00	--	74.00
Annual dividend per share (¥).....	93.00	--	148.00

Millions of yen, rounded down

Notes: Changes to the dividend forecast during the period: None

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

	FY ending February 29, 2012	
		(% change)
Sales.....	140,000	(1.4)
Operating income	8,000	(0.0)
Ordinary income	8,000	2.3
Net Income	5,000	(2.7)
Earnings per share (¥)	493.25	

Millions of yen, rounded down

Notes: Percentage figures for sales, operating income, etc. represent changes compared to the comparable period of the previous fiscal year.
Changes to the consolidated financial forecast during the period: None

4. Other

1) Transfer of important subsidiaries during the period: None

Note: Indicates transfers of specified subsidiaries resulting in changes in the scope of consolidation during the period under review.

2) Adoption of special accounting procedures in the preparation of these financial statements: Yes

Note: Indicates adoption of simplified accounting methods or special accounting methods for the preparation of the quarterly financial statements.

3) Changes in accounting principles, procedures and presentation in the preparation of these financial statements:

(1) Changes in accordance with revision to accounting standards: Yes

(2) Other changes: None

Note: Indicates changes in principles, procedures and methods of presentation of accounting methods in the making of these financial statements.

4) Number of shares outstanding (ordinary shares)

(1) Number of shares outstanding (including treasury shares):

As of November 30, 2011: 10,688,800

As of February 28, 2011: 10,688,800

(2) Number of treasury shares:

As of November 30, 2011: 551,965

As of February 28, 2011: 551,954

(3) Average number of shares during the period:

Nine months ended November 30, 2011: 10,136,841

Nine months ended November 30, 2010: 9,209,589

Disclosure of status of quarterly report review procedures

This quarterly report is not subject to review under the Financial Instruments and Exchange Law, and at time of disclosure of this quarterly financial report the review procedures for quarterly securities reports as stipulated under the Financial Instruments and Exchange Law had not been completed.

Notice regarding the appropriate use of the financial forecasts and other items

Forecasts and forward-looking statements in this document are based on a number of assumptions made and beliefs held by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including economic conditions, legislative and regulatory developments, delay in new product or service launches, and pricing and product initiatives of competitors.

(1) Outline of consolidated operating results

Amidst an economic environment marked by sluggish consumer spending stemming from the effects of the Great East Japan Earthquake, retail sales from directly managed Gulliver stores declined compared to the nine-month period of the previous year. Although the used car auction market rose steadily in the first half of the fiscal year due the effects of the Great East Japan Earthquake, market prices reversed in the third quarter, resulting in a temporary decline in wholesale profitability.

In financing, operating income at consolidated subsidiary G-One Financial Services Co., Ltd. declined ¥741 million compared to the previous comparable period to ¥528 million due to efforts to downsize the business carried on from the previous period. Accounts receivable in the financing business at the end of the period under review were ¥10,348 million, a decrease of ¥2,838 million compared to the end of the previous nine-month period.

Extraordinary income of ¥779 million was recorded as a reversal of restructuring losses. The reversal concerns a portion of the restructuring losses recorded in fiscal year ended February 28, 2011 for plans to transfer or consolidate head office functions related to making Gulliver a group company, which were reviewed in light of recent power saving and other measures following the Great East Japan Earthquake and recorded in the second quarter of the current fiscal year. Further, ¥117 million was recorded for reversal of allowance for doubtful accounts.

Extraordinary losses such as for loss on adjustment for changes of accounting standard for asset retirement obligations, loss on disaster and loss on disposal of fixed assets were also recorded.

Net income decreased compared to the previous nine-month period when corporate tax decreased as a result of the transfer of subsidiaries during the previous fiscal year.

As a result of the factors noted above, and compared to the nine-month period of the previous fiscal year, consolidated net sales decreased 4.9% to ¥103,345 million, operating income decreased by 4.8% to ¥5,719 million, ordinary income decreased 2.2% to ¥5,727 million, while net income decreased 30.1% to ¥3,619 million.

(2) Financial position

Consolidated financial position and related analysis

Assets, liabilities and shareholders' equity

Note: Comparisons represent changes compared to the end of the previous fiscal year.

Assets

Total assets at the end of the period under review decreased 7.4% to ¥55,453 million.

Current assets decreased 13.6% to ¥31,406 million, mainly due to a decrease in accounts receivable and products.

Fixed assets increased 2.3% to ¥24,047 million, mainly due to the adoption of accounting standards for asset retirement obligations.

Liabilities

Total liabilities at the end of the period under review decreased 19.0% to ¥28,325 million.

Current liabilities decreased 24.9% to ¥17,055 million, mainly due to a decrease in accounts payable and short term borrowings.

Long-term liabilities decreased 8.1% to ¥11,270 million, mainly due to a decrease in long-term borrowings.

Net assets

Total net assets at the end of the period under review increased 9.0% to ¥27,127 million due to an increase in retained earnings due to recording net income for the period.

(3) Outlook for the fiscal year ending February 29, 2012

There have been no changes made to the full-year consolidated results forecasts as announced in the Consolidated Results, Second Quarter of the Fiscal Year Ending February 29, 2012 that was issued on September 30, 2011.

2. Other information

Outline of changes to accounting procedures, principles and presentation

(1) Adoption of Accounting Standards for Equity Method of Accounting for Investments and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method.

As of the period under review Accounting Standards for Equity Method of Accounting for Investments (ASBJ Statement No.16, March 10, 2008) and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ PITF No. 24, March 10, 2008) have been adopted. This will have no effect on operating income, ordinary income, or net income before taxes.

(2) Adoption of Accounting Standards for Asset Retirement Obligations

As of the period under review Accounting Standards for Asset Retirement Obligations (ASB statement No. 18, March 31 2008) and Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 March 31, 2008) have been adopted.

The resulting effect on operating income and ordinary income is minimal, and net income before taxes is ¥386 million lower. The effect on asset retirement liabilities following the adoption of these standards is ¥919 million.

Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of November 30, 2011	As of February 28, 2011
Assets		
Current assets		
Cash and deposits	9,471	8,896
Notes and accounts receivable-trade	11,105	16,979
Short-term investment securities	3,100	--
Merchandise	4,867	7,004
Operating loans	--	1,234
Deferred tax assets	1,478	1,151
Other	1,460	1,625
Allowance for doubtful accounts	-77	-552
Total current assets	31,406	36,338
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	11,860	10,133
Accumulated depreciation	-4,183	-3,670
Buildings and structures, net	7,677	6,462
Vehicles	396	557
Accumulated depreciation	-199	-290
Vehicles, net	197	267
Tools, furniture and fixtures	2,302	2,309
Accumulated depreciation	-1,806	-1,836
Tools, furniture and fixtures, net	496	472
Land	218	218
Construction in progress	33	13
Total property, plant and equipment	8,623	7,434
Intangible assets		
Goodwill	11	27
Software	881	909
Other	16	17
Total intangible assets	908	954
Investments and other assets		
Investment securities	14	14
Stocks of subsidiaries and affiliates	731	805
Long-term loans receivable	8,185	8,983
Lease and guarantee deposits	2,887	2,926
Construction assistance fund	2,789	2,814
Deferred tax assets	271	433
Other	214	251
Allowance for doubtful accounts	-577	-1,101
Total investments and other assets	14,515	15,128
Total noncurrent assets	24,047	23,517
Total assets	55,453	59,856

Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of November 30, 2011	As of February 28, 2011
Liabilities		
Current liabilities		
Accounts payable-trade	1,549	3,806
Short-term loans payable	5,250	8,517
Accounts payable-other	1,965	2,278
Income taxes payable	2,237	918
Deposits received	255	416
Provision for bonuses	80	496
Provision for merchandise warranties	1,697	1,336
Provision for loss on business	--	1,016
Other	4,019	3,912
Total current liabilities	17,055	22,698
Noncurrent liabilities		
Long-term loans payable	9,000	11,000
Long-term guarantee deposited	802	816
Provision for directors' retirement	468	442
Asset retirement obligations	999	--
Other	--	6
Total noncurrent liabilities	11,270	12,265
Total liabilities	28,325	34,964
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	22,855	20,083
Treasury stock	-3,975	-3,975
Total shareholders' equity	27,069	24,297
Valuation and translation adjustments		
Foreign currency translation	55	586
Total valuation and translation	55	586
Subscription rights to shares	1	7
Total net assets	27,127	24,891
Total liabilities and net assets	55,453	59,856

Consolidated Statements of Income

	March 1, 2010 to November 30, 2010	March 1, 2011 to November 30, 2011
		<i>Millions of yen</i>
Net sales	108,666	103,345
Cost of sales	81,098	77,887
Gross profit	27,568	25,457
Selling, general and administrative expenses	21,559	19,738
Operating income	6,008	5,719
Non-operating income		
Interest income	76	99
Commission fee	10	--
Amortization of negative goodwill	9	--
Other	22	55
Total non-operating income	119	154
Non-operating expenses		
Interest expenses	129	124
Foreign exchange losses	94	4
Other	46	16
Total non-operating expenses	270	146
Ordinary income	5,857	5,727
Extraordinary income		
Reversal of allowance for doubtful accounts	20	117
Gain on sales of subsidiaries and affiliates' stocks	1,157	--
Reversal for loss on business liquidation	--	779
Other	49	49
Total extraordinary income	1,227	946
Extraordinary loss		
Loss on retirement of noncurrent assets	231	116
Loss on disaster	--	105
Provision for loss on business of subsidiaries and affiliates	451	--
Loss on liquidation of business	1,024	--
Loss on adjustment for changes of counting standard for asset retirement obligations	--	360
Other	31	46
Total extraordinary losses	1,739	628
Income before income taxes and minority interests	5,344	6,044
Income taxes-current	236	2,589
Income taxes-deferred	-67	-164
Total income taxes	169	2,425
Income before minority interests	--	3,619
Minority interests in income	--	--
Net income	5,175	3,619

Consolidated Statements of Cash flows

	<i>Millions of yen</i>	
	March 1, 2010 to November 30, 2010	March 1, 2011 to November 30, 2011
I .Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,344	6,044
Depreciation and amortization	906	862
Amortization of goodwill	15	15
Amortization of negative goodwill	-9	--
Increase (decrease) in allowance for doubtful accounts	-209	-143
Increase (decrease) in provision for bonuses	-451	-413
Increase (decrease) in provision for directors' retirement benefits	31	25
Increase (decrease) in provision for product warranties	502	360
Interest and dividends income	-76	-99
Interest expenses	129	124
Foreign exchange losses (gains)	65	4
Loss on retirement of noncurrent assets	231	116
Loss (gain) on sales of stocks of subsidiaries and affiliates	-1,157	--
Reversal of loss on business liquidation	--	-779
Loss on liquidation of business	423	--
Loss on adjustment for changes of accounting standard for asset retirement obligations	--	360
Decrease (increase) in notes and accounts receivable-trade	4,227	5,186
Decrease (increase) in inventories	5,648	2,087
Decrease (increase) in operating loans receivable	603	1,234
Increase (decrease) in accrued consumption taxes	283	-342
Increase (decrease) in notes and accounts payable-trade	-1,724	-2,235
Increase(decrease) in accrued expenses	882	894
Other, net	-489	-766
Subtotal	15,178	12,538
Interest and dividends income received	77	103
Interest expenses paid	-129	-124
Income taxes paid	-1,213	-1,241
Net cash provided by (used in) operating activities	13,912	11,275
II .Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-934	-971
Purchase of intangible assets	-366	-309
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-109	--
Purchase of short-term investment securities	--	-3,100
Payments of loans receivable	-949	-410
Collection of loans receivable	4,942	722
Payments for lease and guarantee deposits	-64	-208
Proceeds from collection of lease and guarantee deposits	56	226
Payments of construction assistance fund receivables	-95	-148
Collection of construction assistance fund receivables	168	164
Payments into time deposits	--	-1,900
Other, net	13	48
Net cash provided by (used in) investing activities	2,661	-5,885

Consolidated Statements of Cash flows

	March 1, 2010 to November 30, 2010	<i>Millions of yen</i> March 1, 2011 to November 30, 2011
III. Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-24,499	--
Proceeds from long-term loans payable	11,000	--
Repayment of long-term loans payable	-379	-5,266
Proceeds from sales of treasury stock	4,038	--
Cash dividends paid	-617	-1,357
Other, net	-0	-0
Net cash provided by (used in) financing activities	-10,458	-6,624
IV. Effect of exchange rate change on cash and cash equivalents	-15	-1
V. Net increase (decrease) in cash and cash equivalents	6,099	-1,235
VI. Cash and cash equivalents at beginning of period	3,586	8,869
VII. Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	--	-89
VIII. Cash and cash equivalents at end of period	9,686	7,544

Segment information

Segment information has been omitted since Gulliver Group only conducts the sales of used automobiles and related business, which together comprise a single segment.

(Additional information)

As of the third quarter of the current fiscal year, the Accounting Standards for Disclosure about Segments of an Enterprise and Related Information (ASBJ statement No. 17, March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20, March 21, 2008) have been applied. Previously, segment information was disclosed in three segments—Sales of used automobiles, Financing business, and Other businesses. However, as a result of a decrease in the significance of the financing business following Group restructuring, and the revisions to the Accounting Standards for Disclosures about Segments of an Enterprise and Related Information, we have decided to consolidate the Group's entire business activity under the segment 'Sales of used automobiles and related businesses'.