



# Consolidated Results

First Quarter of the Fiscal Year Ending February 28, 2013

(Three-month period ended May 31, 2012)

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)

First quarter results for the fiscal year ending February 28, 2013

July 10, 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: July 13, 2012

Scheduled date for distribution of dividends: -

Appendix materials prepared to accompany this report: Yes

Investor conference call: None

Listed exchanges: Tokyo (1<sup>st</sup> Section)

Inquiries: Executive director: Yukihiro Yoshida

Telephone: +81 3 5208-5503

### 1. Consolidated financial results for the Three-months period ended May 31, 2012

#### 1) Consolidated operating results

	Three months ended May 31, 2012		Three months ended May 31, 2011	
		(% change)		(% change)
Sales.....	38,755	4.3	37,141	(9.0)
Operating income .....	697	(76.0)	2,900	74.7
Ordinary income .....	747	(74.3)	2,903	79.9
Net income.....	348	(77.2)	1,529	165.8
Earnings per share (yen) .....	34.35	--	150.90	--
Fully diluted earnings per share (yen).....	34.35	--	150.89	--

Millions of yen, rounded down

#### 2) Financial position (Consolidated)

	As of May 31, 2012	As of February 29, 2012
	Total assets .....	51,961
Net assets.....	27,226	27,292
Shareholders' equity ratio (%).....	52.4	49.9
Shareholders' equity per share (yen).....	2,685.72	2,692.16

Millions of yen, rounded down

Shareholders' equity(yen): As of May 31,2012:27,224 million  
As of February 29,2012:27,289 million

### 2. Dividends

	Fiscal year ended February 29, 2012	Fiscal year ending February 28, 2013	Fiscal year ending February 28, 2013(Forecast)
	First Quarter dividend per share (yen) .....	--	--
Interim dividend per share (yen) .....	74.00	--	41.00
Third Quarter dividend per share (yen) .....	--	--	--
Year-end dividend per share (yen) .....	41.00	--	41.00
Annual dividend per share (yen) .....	115.00	--	82.00

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 28, 2013(March 1, 2012 February 28, 2013)

	Interim period ending August 31, 2012		FY ending February 28, 2013	
Sales.....	63,600	(2.4)	134,000	0.8
Operating income .....	2,600	(44.3)	5,000	(20.0)
Ordinary income .....	2,600	(44.3)	5,000	(20.9)
Net Income .....	1,450	(51.8)	2,800	(26.0)
Earnings per share (¥) .....	143.04		276.22	

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** (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): 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: None

(2) Other changes: None

(3) Changes in accounting estimates: None

(4) Restatement: 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 May 31, 2012: 10,688,800

As of February 29, 2012: 10,688,800

(2). Number of treasury shares:

As of May 31, 2012: 551,965

As of February 29, 2012: 551,965

(3). Average number of shares during the period:

Three months ended May 31, 2012: 10,136,835

Three months ended May 31, 2011: 10,136,846

#### **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. Qualitative information on settlement of accounts for the first three months**

### **(1) Qualitative information on consolidated operating results**

In the first quarter of the fiscal year under review, car sales volume at Gulliver-directly operated stores increased year on year. However, the profitability of wholesale used car auctions to used-car sellers declined due to falling prices in the used car auction market.

In the first quarter, the new car market was buoyed by the implementation of an eco-car subsidy program and other measures, leading to an increase in trade-in vehicles in step with higher new car sales volume. Combined with the sluggish market conditions seen from the second half of the previous fiscal year due to the impact of the Great East Japan Earthquake, the result was a large increase in used cars put up for sale at used car auctions. This continuing over-supply of used cars to used car auctions pushed down prices in the used car auction market.

Selling, general and administrative (SG&A) expenses increased due to higher personnel expenses and advertising expenses.

Consolidated subsidiary G-One Financial Services Co., Ltd. posted an operating loss of 16 million yen as operations have been scaled down. Accounts receivable (financial credit) of G-One Financial Services Co., Ltd. stood at 9,028 million yen as of the end of the first quarter, down 627 million yen from the end of the previous fiscal period.

Due to the above, consolidated business results for the first quarter were as follows: consolidated net sales were 38,755 million yen (up 4.3% from the same term last year), operating income was 697 million yen (down 76.0% from the same term last year), ordinary income was 747 million yen (down 74.3% from the same term last year) and net income was 348 million yen (down 77.2% from the same term last year).

### **(2) Qualitative information on consolidated financial position**

#### **Assets**

Total assets at May 31, 2012 were 51,961 million yen, a decrease of 4.9% from February 29, 2012. Current assets were 28,300 million yen, down 8.5% from the same date, mainly due to a decline in products.

Total noncurrent assets at May 31, 2012 decreased by 0.2% from February 29, 2012, to 23,661 million yen. This mainly reflected a decrease in long-term loans receivable due to the recovery of such loans.

#### **Liabilities**

Total liabilities at May 31, 2012 decreased by 9.6% from February 29, 2012 to 24,734 million yen.

Current liabilities at May 31, 2012 decreased by 16.4% from February 29, 2012 to 13,419 million yen. The primary contributing factors were decreases in accounts payable and income taxes payable due to the payment of income taxes.

Total noncurrent liabilities at May 31, 2012 increased by 0.2% from February 29, 2012 to 11,315 million yen. The major factor was an increase in asset retirement obligations mainly due to the opening of new stores.

#### **Net assets**

Net assets at May 31, 2012 decreased by 0.2% from February 29, 2012 to 27,226 million yen, mainly due to the payment of the year-end dividend.

### **(3) Outlook for the fiscal year ending February 28, 2013**

There have been no changes to the full-year consolidated results forecasts for the fiscal year ending February 28, 2013, which were announced with Financial Results Fiscal 2012 (March 1, 2011 to February 29, 2012) (Japanese GAAP; Consolidated) issued on April 4, 2012.

## Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of February 29, 2012	As of May 31, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits .....	8,472	9,768
Notes and accounts receivable-trade .....	10,683	10,460
Products .....	8,640	5,114
Deferred tax assets .....	1,320	1,341
Other .....	1,873	1,678
Allowance for doubtful accounts .....	(65)	(62)
<b>Total current assets</b>	<b>30,925</b>	<b>28,300</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures .....	11,901	11,931
Accumulated depreciation .....	(4,347)	(4,492)
<b>Buildings and structures, net</b> .....	<b>7,553</b>	<b>7,438</b>
Vehicles .....	370	327
Accumulated depreciation .....	(210)	(196)
<b>Vehicles, net</b> .....	<b>160</b>	<b>130</b>
Tools, furniture and fixtures .....	2,279	2,282
Accumulated depreciation .....	(1,830)	(1,863)
<b>Tools, furniture and fixtures, net</b> .....	<b>448</b>	<b>419</b>
Land .....	218	218
Construction in progress .....	22	577
<b>Total property, plant and equipment</b>	<b>8,403</b>	<b>8,784</b>
<b>Intangible assets</b>		
Goodwill .....	5	1
Software .....	939	916
Other .....	15	15
<b>Total intangible assets</b>	<b>961</b>	<b>933</b>
<b>Investments and other assets</b>		
Investment securities .....	14	14
Stocks of subsidiaries and affiliates .....	768	772
Long-term loans receivable .....	7,993	7,557
Lease and guarantee deposits .....	2,894	2,993
Construction assistance fund receivables .....	2,840	2,786
Deferred tax assets .....	235	251
Other .....	257	269
Allowance for doubtful accounts .....	(652)	(701)
<b>Total investments and other assets</b> .....	<b>14,353</b>	<b>13,942</b>
<b>Total noncurrent assets</b> .....	<b>23,718</b>	<b>23,661</b>
<b>Total assets</b> .....	<b>54,643</b>	<b>51,961</b>

## Consolidated Balance Sheets

	<i>Millions of yen</i>	
	As of February 29, 2012	As of May 31, 2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade.....	2,912	1,717
Short-term loans payable.....	2,000	2,000
Accounts payable-other .....	2,130	2,063
Income taxes payable.....	2,532	397
Deposits received .....	232	213
Provision for bonuses .....	489	41
Provision for merchandise warranties.....	1,810	2,075
Other.....	3,951	4,911
<b>Total current liabilities</b> .....	<b>16,060</b>	<b>13,419</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable .....	9,000	9,000
Long-term guarantee deposited.....	807	816
Provision for directors' retirement benefits.....	461	468
Asset retirement obligations.....	1,016	1,030
Other .....	5	--
<b>Total noncurrent liabilities</b> .....	<b>11,290</b>	<b>11,315</b>
<b>Total liabilities</b> .....	<b>27,351</b>	<b>24,734</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock .....	4,157	4,157
Capital surplus .....	4,032	4,032
Retained earnings.....	23,021	22,954
Treasury stock .....	(3,975)	(3,975)
<b>Total shareholders' equity</b> .....	<b>27,235</b>	<b>27,168</b>
Valuation and translation adjustments		
Foreign currency translation adjustmen.....	54	56
<b>Total valuation and translation adjustments</b> .....	<b>54</b>	<b>56</b>
Subscription rights to shares.....	2	2
<b>Total net assets</b> .....	<b>27,292</b>	<b>27,226</b>
<b>Total liabilities and net assets</b> .....	<b>54,643</b>	<b>51,961</b>

## Consolidated Statements of Income

	March 1, 2011 to May 31, 2011	March 1, 2012 to May 31, 2012
		<i>Millions of yen</i>
Sales .....	37,141	38,755
Cost of sales .....	27,739	31,019
Gross profit .....	9,402	7,736
Sales general and administrative expenses .....	6,502	7,038
Operating income .....	2,900	697
Non-operating income		
Interest received .....	34	32
Foreign exchange gains .....	6	2
Other .....	15	46
Total non-operating income .....	56	81
Non-operating expenses		
Interest paid .....	46	27
Other .....	6	4
Total non-operating expenses .....	53	32
Ordinary income .....	2,903	747
Extraordinary profit		
Reversal of allowance for doubtful accounts .....	25	--
Others .....	1	--
Total extraordinary profit .....	27	--
Extraordinary losses		
Loss on disposal of fixed assets .....	6	13
provision of allowance for bad debts .....	--	51
Loss on disaster .....	100	--
Loss on adjustment for changes of accounting standard for asset retirement obligations .....	332	--
Others .....	26	2
Total extraordinary loss .....	466	68
Net income before taxes, etc. ....	2,463	679
Income tax, inhabitants tax and enterprise tax .....	1,311	368
Corporate tax adjustment .....	(377)	(37)
Total corporate taxes .....	934	330
Gain from minority interests .....	1,529	348
<b>Net income</b> .....	<b>1,529</b>	<b>348</b>