

Translation

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**Summary of Consolidated Financial Results  
for the Three Months Ended May 31, 2013  
(Based on Japanese GAAP)**

July 11, 2013

Company name Gulliver International Co., Ltd.  
 Stock exchange listing Tokyo  
 Stock Code 7599 URL http://221616.com  
 Representative Chairman Kenichi Hatori  
 Inquiries Accounting and Finance Section Manager Masayuki Matsumoto TEL 03-5208-5503  
 Scheduled date to file Quarterly Securities Report July 16, 2013  
 Scheduled date to commence dividend payments -  
 Preparation of supplementary material on quarterly earnings yes  
 Holding of quarterly earnings performance review no -

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2013 (from March 1, 2013 to May 31, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2013	45,729	18.0	1,896	171.9	1,913	156.1	1,227	252.7
Three months ended May 31, 2012	38,755	4.3	697	(76.0)	747	(74.3)	348	(77.2)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended May 31, 2013	12.11		12.11	
Three months ended May 31, 2012	3.43		3.43	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2013	53,200	30,210	56.8	297.99
As of February 28, 2013	53,253	29,451	55.3	290.50

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2013	-	41.00	-	47.00	88.00
Year ending February 28, 2014	-				
Year ending February 28, 2014 (Forecast)		5.00	-	5.00	10.00

3. Forecast for the year ending February 28, 2014 (from March 1, 2013 to February 28, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2013	72,700	2.0	3,000	88.8	3,000	74.6	1,700	95.7	16.77
Full year	145,000	1.1	5,800	14.2	5,800	10.4	3,300	10.7	32.56

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2013  
(changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: yes
- Changes in accounting policies due to other reasons: no
- Changes in accounting estimates: yes
- Restatement of prior period financial statements after error corrections: no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of May 31, 2013	106,888,000 shares	As of February 28, 2013	106,888,000 shares
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Number of shares of treasury stock at the end of the period

As of May 31, 2013	5,519,810 shares	As of February 28, 2013	5,519,770 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2013	101,368,230 shares	Three months ended May 31, 2012	101,368,350 shares
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## **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. Contributory factors included development of personnel at existing Gulliver stores that have been strengthened in recent years, and the opening of large-scale showrooms WOW! TOWN, OUTLET and other new stores.

In the previous fiscal year, Gulliver saw a decline in the profitability of wholesale used car auctions to used car sellers, due to the impact of the eco-car subsidy program for new vehicles. However, following the end of the eco-car subsidy program in September 2012, profitability improved in the fiscal year under review.

Selling, general and administrative (SG&A) expenses rose accompanying an increased number of stores.

Due to the above, consolidated business results for the first quarter were as follows: consolidated net sales were 45,729 million yen (up 18.0% from the same term last year), operating income was 1,896 million yen (up 171.9% from the same term last year), ordinary income was 1,913 million yen (up 156.1% from the same term last year) and net income was 1,227 million yen (up 252.7% from the same term last year).

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

#### **Assets**

Total assets at May 31, 2013 were 53,200 million yen, a decrease of 0.1% from February 28, 2013.

Current assets were 29,665 million yen, up 0.4% from the same date. The primary contributing factor was an increase in cash and deposits, partly offset by decreases in merchandise and notes and accounts receivable-trade.

Total noncurrent assets at May 31, 2013 decreased by 0.7% from February 28, 2013, to 23,534 million yen. This mainly reflected a decrease in long-term loans receivable.

Of the total amount of accounts receivable-trade, the accounts receivable (financial credit) of consolidated subsidiary G-One Financial Services Co., Ltd. stood at 6,348 million yen.

#### **Liabilities**

Total liabilities at May 31, 2013 decreased by 3.4% from February 28, 2013 to 22,989 million yen.

Current liabilities at May 31, 2013 decreased by 4.2% from February 28, 2013 to 16,635 million yen mainly due to a decrease in accounts payable-trade.

Total noncurrent liabilities at May 31, 2013 decreased by 1.4% from February 28, 2013 to 6,354 million yen.

#### **Net assets**

Net assets at May 31, 2013 increased by 2.6% from February 28, 2013 to 30,210 million yen, mainly due to an increase in retained earnings accompanying the posting of net income.

### **(3) Outlook for the fiscal year ending February 28, 2014**

There have been no changes to the full-year consolidated results forecasts for the fiscal year ending February 28, 2014, which were announced with Financial Results Fiscal 2013 (March 1, 2012 to February 28, 2013) (Japanese GAAP; Consolidated) issued on July 11, 2013.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2013	As of May 31, 2013
Assets		
Current assets		
Cash and deposits	6,863	11,729
Notes and accounts receivable-trade	9,614	8,142
Merchandise	10,380	7,077
Deferred tax assets	965	1,175
Other	1,792	1,604
Allowance for doubtful accounts	(61)	(63)
Total current assets	29,555	29,665
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,757	13,830
Accumulated depreciation	(4,937)	(5,075)
Buildings and structures, net	8,820	8,754
Vehicles	232	233
Accumulated depreciation	(156)	(165)
Vehicles, net	76	67
Tools, furniture and fixtures	2,379	2,387
Accumulated depreciation	(1,925)	(1,953)
Tools, furniture and fixtures, net	454	433
Land	218	218
Construction in progress	40	42
Total property, plant and equipment	9,609	9,517
Intangible assets		
Software	926	889
Other	16	16
Total intangible assets	942	905
Investments and other assets		
Investment securities	14	14
Stocks of subsidiaries and affiliates	361	365
Long-term loans receivable	6,558	6,400
Lease and guarantee deposits	3,065	3,112
Construction assistance fund receivables	2,758	2,785
Deferred tax assets	249	261
Other	250	278
Allowance for doubtful accounts	(111)	(105)
Total investments and other assets	13,146	13,112
Total noncurrent assets	23,698	23,534
Total assets	53,253	53,200

(Millions of yen)

As of February 28, 2013

As of May 31, 2013

Liabilities	As of February 28, 2013	As of May 31, 2013
Current liabilities		
Accounts payable-trade	3,439	2,303
Short-term loans payable	5,000	5,000
Accounts payable-other	1,829	1,701
Income taxes payable	579	960
Deposits received	264	188
Provision for bonuses	464	48
Provision for merchandise warranties	1,508	1,653
Other	4,270	4,779
Total current liabilities	<u>17,357</u>	<u>16,635</u>
Noncurrent liabilities		
Long-term loans payable	4,000	4,000
Long-term guarantee deposited	772	761
Provision for directors' retirement benefits	493	449
Asset retirement obligations	1,129	1,142
Provision for loss on business of subsidiaries and affiliates	50	1
Total noncurrent liabilities	<u>6,445</u>	<u>6,354</u>
Total liabilities	<u>23,802</u>	<u>22,989</u>
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	25,171	25,922
Treasury stock	(3,975)	(3,975)
Total shareholders' equity	<u>29,385</u>	<u>30,136</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	62	70
Total accumulated other comprehensive income	<u>62</u>	<u>70</u>
Subscription rights to shares	3	3
Total net assets	<u>29,451</u>	<u>30,210</u>
Total liabilities and net assets	<u>53,253</u>	<u>53,200</u>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Net sales	38,755	45,729
Cost of sales	31,019	36,676
Gross profit	7,736	9,053
Selling, general and administrative expenses	7,038	7,157
Operating income	697	1,896
Non-operating income		
Interest income	32	28
Foreign exchange gains	2	4
Other	46	11
Total non-operating income	81	45
Non-operating expenses		
Interest expenses	27	22
Other	4	6
Total non-operating expenses	32	28
Ordinary income	747	1,913
Extraordinary income		
Reversal of provision for loss on business of subsidiaries and affiliates	-	49
Total extraordinary income	-	49
Extraordinary loss		
Loss on retirement of noncurrent assets	13	26
Provision of allowance for doubtful accounts	51	-
Other	2	-
Total extraordinary losses	68	26
Income before income taxes and minority interests	679	1,935
Income taxes-current	368	929
Income taxes-deferred	(37)	(222)
Total income taxes	330	707
Income before minority interests	348	1,227
Net income	348	1,227

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Income before minority interests	348	1,227
Other comprehensive income		
Foreign currency translation adjustment	2	7
Total other comprehensive income	2	7
Comprehensive income	350	1,235
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	350	1,235