

Gulliver announces revisions to operating results forecasts

Tokyo, October 2, 2012-Gulliver International Co., Ltd. ("Gulliver," TSE stock code 7599) today announced revisions to its forecasts for operating results for the first two quarters of the fiscal year ending February 28, 2013. The revisions are as follows.

Results forecast revisions for the fiscal year ending February 28, 2013

Revisions to the consolidated interim results forecast (March 1, 2012 to August 31, 2012) *(Millions of yen)*

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	68,600	2,600	2,600	1,450	143.04
Revised forecasts (B)	71,300	1,580	1,700	870	85.83
Change (B – A)	2,700	-1,020	-900	-580	
Percentage change (%)	3.9	-39.2	-34.6	-40.0	
Reference: Results for the six-month period to August 31, 2011	70,318	4,668	4,670	3,009	296.92

Revisions to the non-consolidated interim results forecast (March 1, 2012 to August 31, 2012) *(Millions of yen)*

	Net sales	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	68,000	2,500	1,400	138.11
Revised forecasts (B)	70,600	1,500	850	83.85
Change (B – A)	2,600	-1,000	-550	
Percentage change (%)	3.8	-40.0	-39.3	
Reference: Results for the six-month period to August 31, 2011	68,225	4,211	2,971	293.13

Reasons for revisions

The number of cars sold retail through directly managed Gulliver stores in the first two quarters rose from the same period last fiscal year, surpassing the Company's initial forecasts. However, eco-car subsidies the Japanese government had budgeted to help consumers buy new cars were depleted at a much faster pace than expected. Consequently, profit margins on the used cars Gulliver auctions wholesale to used car dealers were lower than initially anticipated.

In addition, sales, general and administrative (SG&A) expenses increased due to advertising expenditures that were raised with a view to expanding retail operations going forward.

As a result, operating income for the first two quarters of the fiscal year ending February 28, 2013 is now expected to be lower than the previous forecast.

Operating forecasts for the full term have been maintained as initially forecast, however, in consideration of strong business trends in Gulliver's retail operation, and the eco-car subsidy system culminating this September.