



4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 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 November 30, 2013	5,519,820 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)

Nine months ended November 30, 2013	101,368,200 shares	Nine months ended November 30, 2012	101,368,323 shares
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## **1. Qualitative information on settlement of accounts for the first three quarters**

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

In the first nine months of the fiscal year under review, used vehicle purchases and retail sales volume at Gulliver-directly operated stores increased year on year. Contributory factors included the opening of stores in new channels, such as OUTLET and LIBERALA, which mainly carry luxury vehicles, as well as the full-year operation of large-scale showrooms WOW! TOWN, which opened in the previous fiscal year. Another factor was the development of personnel at existing Gulliver stores that have been strengthened in recent years.

While we limited PR and advertising costs, selling, general and administrative (SG&A) expenses saw an increase in expenses related to store operations, accompanying an increased number of Gulliver-directly operated stores.

As a result of the above, consolidated business results for the first nine months were highlighted by higher net sales and earnings, as follows: consolidated net sales were 128,637 million yen (up 17.8% from the same term last year), operating income was 5,912 million yen (up 78.1% from the same term last year), ordinary income was 6,012 million yen (up 72.9% from the same term last year) and net income was 3,707 million yen (up 89.9% from the same term last year).

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

#### **Assets**

Total assets as of November 30, 2013 were 50,733 million yen, a decrease of 4.7% from February 28, 2013.

Current assets were 32,464 million yen, up 9.8% 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 as of November 30, 2013 decreased by 22.9% from February 28, 2013, to 18,269 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 4,682 million yen.

#### **Liabilities**

Total liabilities as of November 30, 2013 decreased by 22.1% from February 28, 2013 to 18,548 million yen.

Current liabilities as of November 30, 2013 decreased by 29.8% from February 28, 2013 to 12,178 million yen mainly due to a decrease in accounts payable-trade and short-term loans payable.

Total noncurrent liabilities as of November 30, 2013 decreased by 1.2% from February 28, 2013 to 6,369 million yen.

#### **Net assets**

Net assets as of November 30, 2013 increased by 9.3% from February 28, 2013 to 32,184 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 made to the full-year consolidated results forecasts as announced in the Consolidated Results, Second Quarter of the Fiscal Year Ending February 28, 2014 that was issued on October 11, 2013.

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

(Millions of yen)

	As of February 28, 2013	As of November 30, 2013
Assets		
Current assets		
Cash and deposits	6,863	15,045
Notes and accounts receivable-trade	9,614	7,042
Merchandise	10,380	8,087
Deferred tax assets	965	1,324
Other	1,792	1,024
Allowance for doubtful accounts	(61)	(60)
Total current assets	29,555	32,464
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,757	14,397
Accumulated depreciation	(4,937)	(5,390)
Buildings and structures, net	8,820	9,006
Vehicles	232	220
Accumulated depreciation	(156)	(180)
Vehicles, net	76	40
Tools, furniture and fixtures	2,379	2,530
Accumulated depreciation	(1,925)	(2,042)
Tools, furniture and fixtures, net	454	488
Land	218	218
Construction in progress	40	316
Total property, plant and equipment	9,609	10,070
Intangible assets		
Software	926	881
Other	16	18
Total intangible assets	942	899
Investments and other assets		
Investment securities	14	9
Stocks of subsidiaries and affiliates	361	640
Long-term loans receivable	6,558	151
Lease and guarantee deposits	3,065	3,235
Construction assistance fund receivables	2,758	2,803
Deferred tax assets	249	237
Other	250	283
Allowance for doubtful accounts	(111)	(62)
Total investments and other assets	13,146	7,299
Total noncurrent assets	23,698	18,269
Total assets	53,253	50,733

(Millions of yen)

As of February 28, 2013

As of November 30, 2013

Liabilities	As of February 28, 2013	As of November 30, 2013
Current liabilities		
Accounts payable-trade	3,439	2,536
Short-term loans payable	5,000	-
Accounts payable-other	1,829	1,240
Income taxes payable	579	1,744
Deposits received	264	125
Provision for bonuses	464	96
Provision for merchandise warranties	1,508	1,779
Other	4,270	4,654
Total current liabilities	<u>17,357</u>	<u>12,178</u>
Noncurrent liabilities		
Long-term loans payable	4,000	4,000
Long-term guarantee deposited	772	738
Provision for directors' retirement benefits	493	465
Asset retirement obligations	1,129	1,165
Provision for loss on business of subsidiaries and affiliates	50	-
Total noncurrent liabilities	<u>6,445</u>	<u>6,369</u>
Total liabilities	<u>23,802</u>	<u>18,548</u>
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	25,171	27,895
Treasury stock	(3,975)	(3,975)
Total shareholders' equity	<u>29,385</u>	<u>32,109</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	62	71
Total accumulated other comprehensive income	<u>62</u>	<u>71</u>
Subscription rights to shares	3	4
Total net assets	<u>29,451</u>	<u>32,184</u>
Total liabilities and net assets	<u>53,253</u>	<u>50,733</u>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Net sales	109,169	128,637
Cost of sales	84,686	101,379
Gross profit	24,482	27,257
Selling, general and administrative expenses	21,163	21,345
Operating income	3,319	5,912
Non-operating income		
Interest income	94	61
Foreign exchange gains	7	9
Reversal of allowance for doubtful accounts	-	52
Insurance income	78	8
Other	62	33
Total non-operating income	243	166
Non-operating expenses		
Interest expenses	76	53
Other	8	12
Total non-operating expenses	84	66
Ordinary income	3,477	6,012
Extraordinary income		
Compensation income	6	-
Reversal of provision for loss on business of subsidiaries and affiliates	-	50
Other	0	-
Total extraordinary income	6	50
Extraordinary loss		
Loss on retirement of noncurrent assets	51	59
Provision for loss on business of subsidiaries and affiliates	18	-
Other	21	18
Total extraordinary losses	91	77
Income before income taxes and minority interests	3,392	5,984
Income taxes-current	1,601	2,625
Income taxes-deferred	(161)	(347)
Total income taxes	1,439	2,277
Income before minority interests	1,952	3,707
Net income	1,952	3,707

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

(Millions of yen)

	Nine months ended November 30, 2012	Nine months ended November 30, 2013
Income before minority interests	1,952	3,707
Other comprehensive income		
Foreign currency translation adjustment	(0)	8
Total other comprehensive income	(0)	8
Comprehensive income	1,952	3,716
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,952	3,716