

## Gulliver announces revisions to operating results forecasts

Tokyo, July 13, 2016—Gulliver International Co.,Ltd. (TSE stock code 7599) today announced revisions to its forecasts for operating results and dividend per share for the fiscal year ended February 28, 2017. The revisions are as follows.

### Results forecast revisions for the six months ended August 31, 2016

Revisions to the consolidated interim results forecast (March 1, 2016 to August 31, 2016)

(unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecasts (A)	124,200	4,800	4,550	2,700	26.63
Revised forecasts (B)	119,200	2,600	2,350	1,350	13.31
Change (B – A)	(5,000)	(2,200)	(2,200)	(1,350)	
Percentage change (%)	(4.0)	(45.8)	(48.4)	(50.0)	
Reference: Results for the six months ended August 31, 2015	95,024	4,079	4,043	2,563	25.28

Revisions to the consolidated full-year results forecast (March 1, 2016 to February 28, 2017)

(unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecasts (A)	253,000	10,800	10,300	6,200	61.13
Revised forecasts (B)	243,500	7,600	7,100	4,100	40.43
Change (B – A)	(9,500)	(3,200)	(3,200)	(2,100)	
Percentage change (%)	(3.8)	(29.6)	(31.1)	(33.9)	
Reference: Results for the six months ended August 31, 2015	210,085	7,542	6,835	4,111	40.55

Revisions to the non-consolidated interim results forecast (March 1, 2016 to August 31, 2016)

(unit: Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecasts (A)	96,100	4,500	2,800	27.61
Revised forecasts (B)	91,100	2,400	1,450	14.30
Change (B – A)	(5,000)	(2,100)	(1,350)	
Percentage change (%)	(5.2)	(46.7)	(48.2)	
Reference: Results for the six months ended August 31, 2015	89,317	3,740	2,343	23.10

Revisions to the non-consolidated full-year results forecast (March 1, 2016 to February 28, 2017)

(unit: Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecasts (A)	194,100	9,700	6,100	60.15
Revised forecasts (B)	185,300	6,800	4,100	40.43
Change (B – A)	(8,800)	(2,900)	(2,000)	
Percentage change (%)	(4.5)	(29.9)	(32.8)	
Reference: Results for the six months ended August 31, 2015	179,367	6,384	3,949	38.95

### Reasons for revisions

The used car retail sales business at display sales stores continues to perform strongly, and new store openings are proceeding as planned. On the other hand, during the first quarter the number of customers visiting Gulliver stores to upgrade to new cars declined amid a protracted slump in the new car market and the number of cars purchased at Gulliver stores was lower than expected.

In the previous forecast, the new car market for the fiscal year ending February 28, 2017 was assumed to be level with the previous fiscal year; however, based on the situation in the first quarter, adverse conditions are now expected to continue from the second quarter onwards. Furthermore, during the fiscal year ending February 28, 2017 the Company increased its advertising expenditure to drive further increases in profit per store in the used car retail sales business, which is a primary earnings driver; and moreover, will also increase expenditure in the fiscal year ending February 28, 2017 for developing markets in anticipation of expected changes in the automobile-related market.

In other areas, the incidents of fuel efficiency fraud surrounding Mitsubishi Motors and Suzuki sparked a fall in used car auction prices, which resulted in a decline in wholesale gross profit (no impact is expected from the second quarter financial results onward). An additional factor taken into account is a revision in the projected earnings of the Company's consolidated subsidiaries. As a result of these factors, the Company is now forecasting full-year operating income of 7,600 million yen, down 3,200 million yen from the previous forecast. In conjunction with this, the forecast for ordinary income and profit attributable to owners of parent has also been revised downward.

**Revision of Dividend Forecast***(unit: Yen)*

Base date	Dividend per share		
	Interim dividend	Year-end dividend	Annual dividend
Previous dividend forecasts (Announced April 13, 2016)	9.00	9.00	18.00
Revised dividend forecasts	6.00	6.00	12.00
Actual dividends for FY ended February 28, 2017	-		
Results for the fiscal year ended February 2016	7.50	5.00	12.50

**Reasons for Revision**

Gulliver's dividend policy has been to pay a dividend linked to earnings performance, applying a payout ratio of 30% of consolidated net income as a yardstick in deciding the dividend amount.

In the previous forecast, the Company forecasted an interim dividend of 9 yen per share and a year-end dividend of 9 yen per share; however, in light of the above revision to the operating results forecast, the dividend forecast has been revised to an interim dividend of 6 yen per share and a year-end dividend of 6 yen per share.