

1st Quarter Result for Fiscal year ending February 28, 2015

July 11, 2014

Gulliver International Co.,Ltd.
(7599)

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I . 1Q Topics

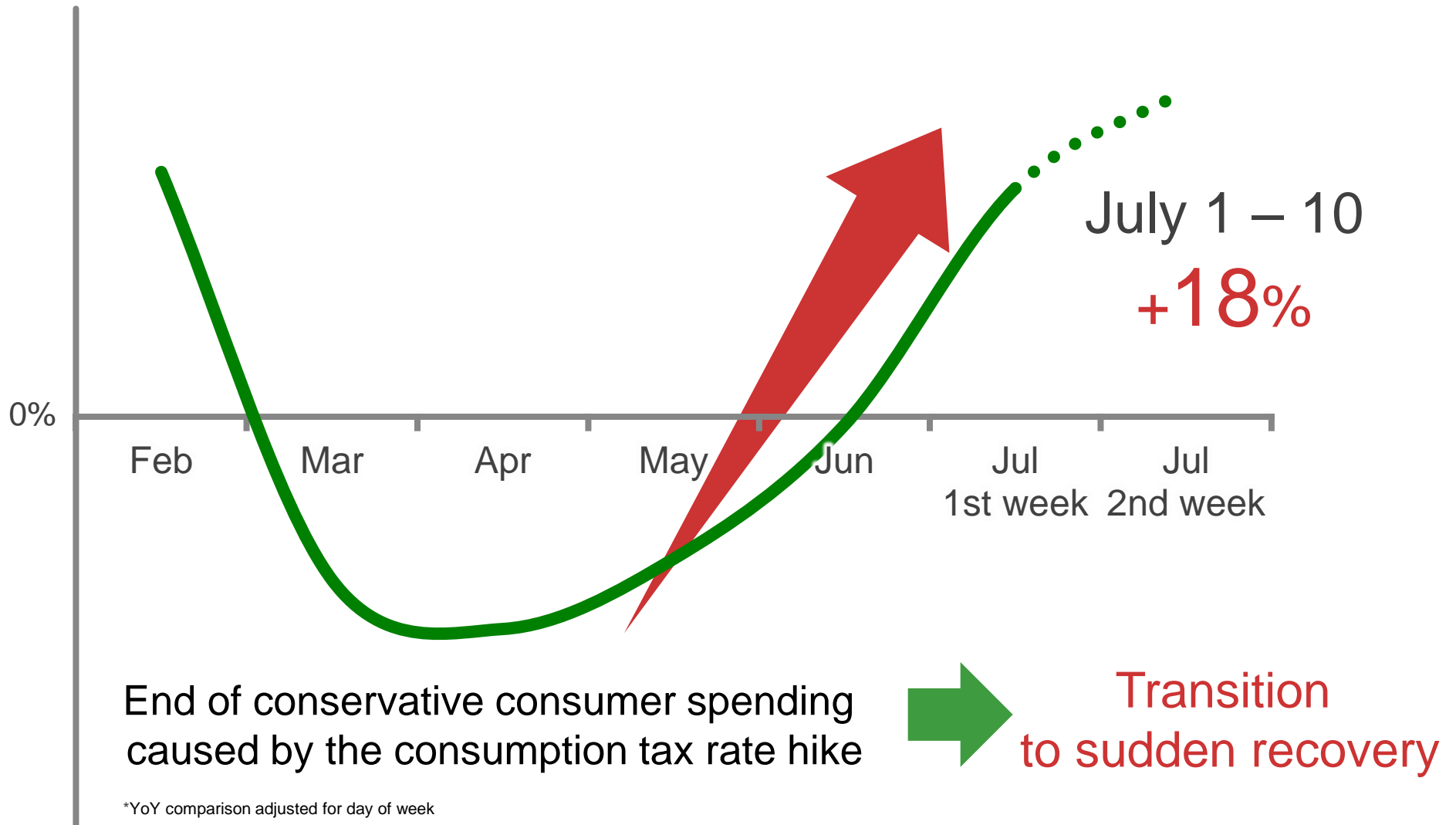
Key indicators for the three months ended May 31

FY2015
1Q

Number of cars purchased	➔	36,230 cars
Number of wholesale	➔	30,105 cars
Number of retail car sales	➔	12,840 cars
SG&A expenses	➔	7.91 billion yen
Operating income	➔	1.47 billion yen

*Number of cars for direct stores

Number of customers (YoY)

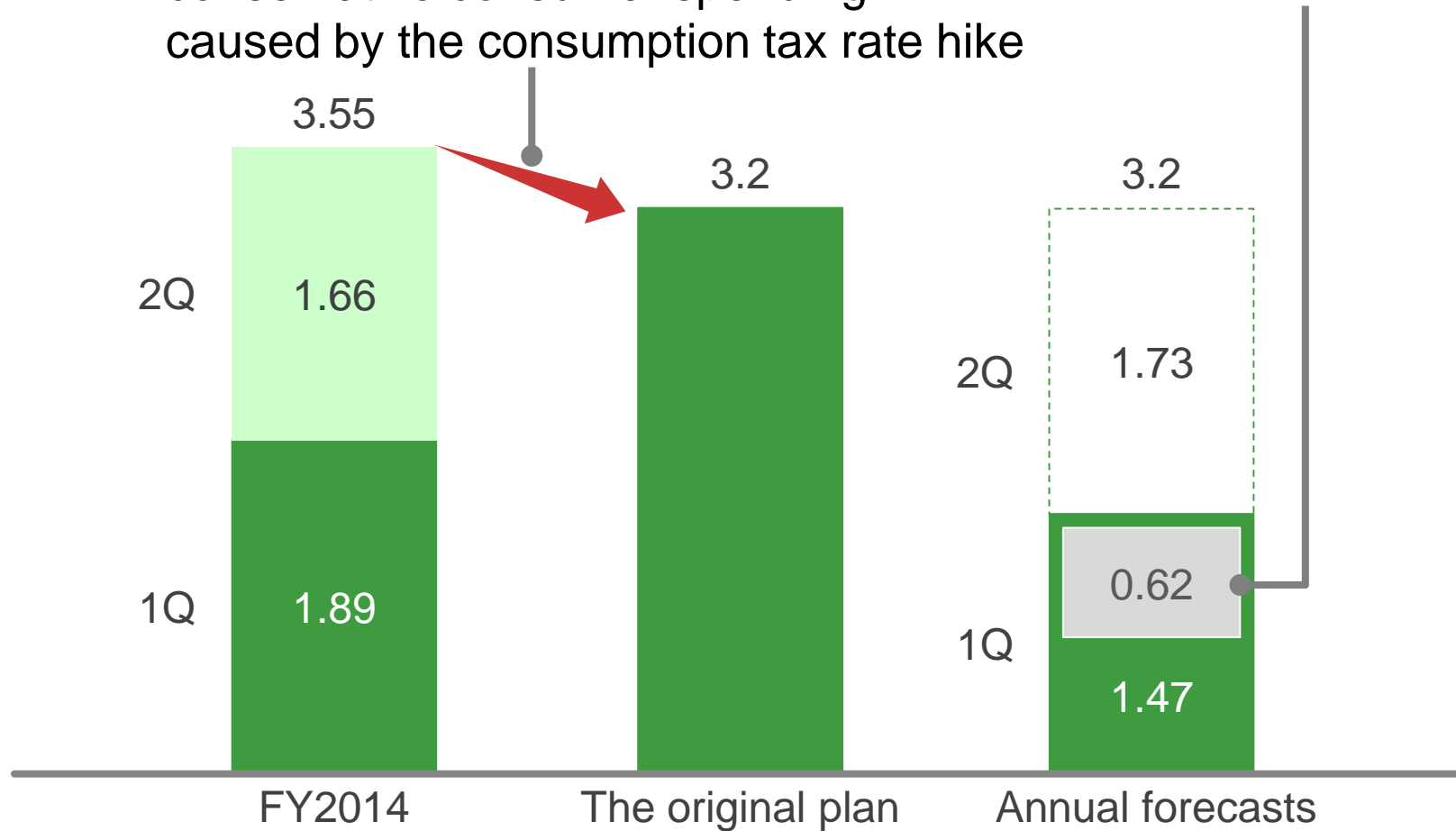


First half operating income plan progressing according to assumptions

(unit: billion yen)

Assumptions concerning conservative consumer spending caused by the consumption tax rate hike

Change to estimates for provision for merchandise warranties



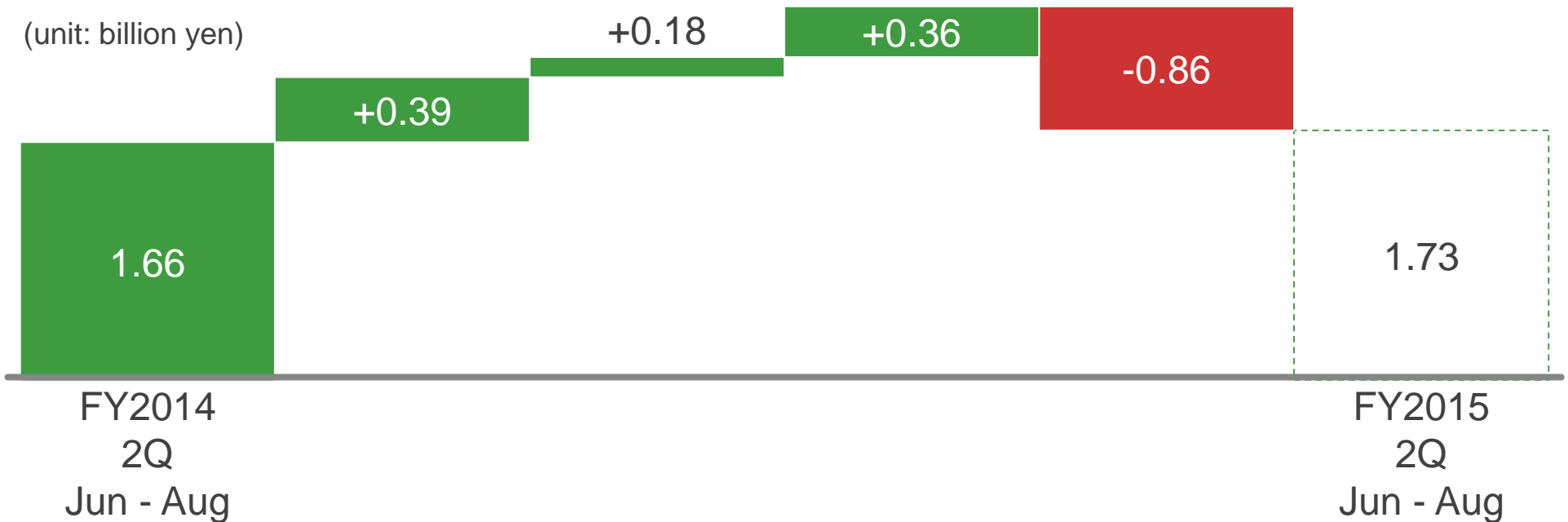
The second quarter (June to August) operating income forecast – Basis for achieving 1.73 billion yen

2Q Number of contributing stores
(compared with end of May)

294 stores → 312 stores (+18 stores)

Number of retail car sales	Number of cars purchased	Gross profit of wholesale per car	SG&A expenses
10,940 cars	34,198 cars	*** thousand yen	7.04 billion yen
↓	↓	↓	↓
12,440 cars (+1,500 cars)	35,698 cars (+1,500 cars)	*** thousand yen (+10 thousand yen)	7.9 billion yen (+0.86 billion yen)

(unit: billion yen)



Plan for number of directly managed stores

Opening new stores steadily according to original plans



Basis for current term development plan

Opening
by Aug 31

13 stores



Contracts
finalized but
not yet opened

37 stores



Sites currently
under negotiation
(as of July 10)

48 stores



Plan to open
this term

50 stores

12 stores opened

Opened	OUTLET	LIBERALA	SNAP HOUSE	Minikuru	Hybrid	Gulliver
1Q	R124-Kashima	Tsukuba	Higashi-kawaguchi		Takarazuka-inter	Nagoyaminami
	R431-Yonago					R58-Ginowan
	R10-Miyazakiehira					Koku1toyoda
	Hirakata					Kozajujiro
	Matsuyama-kumanodai					
Number of stores opened	5 stores	1 stores	1 stores	0 stores	1 stores	4 stores

* Including transfer, change of channel, and change of business conditions

The first Hybrid car specialist



The first Hybrid car specialist







II . Reference

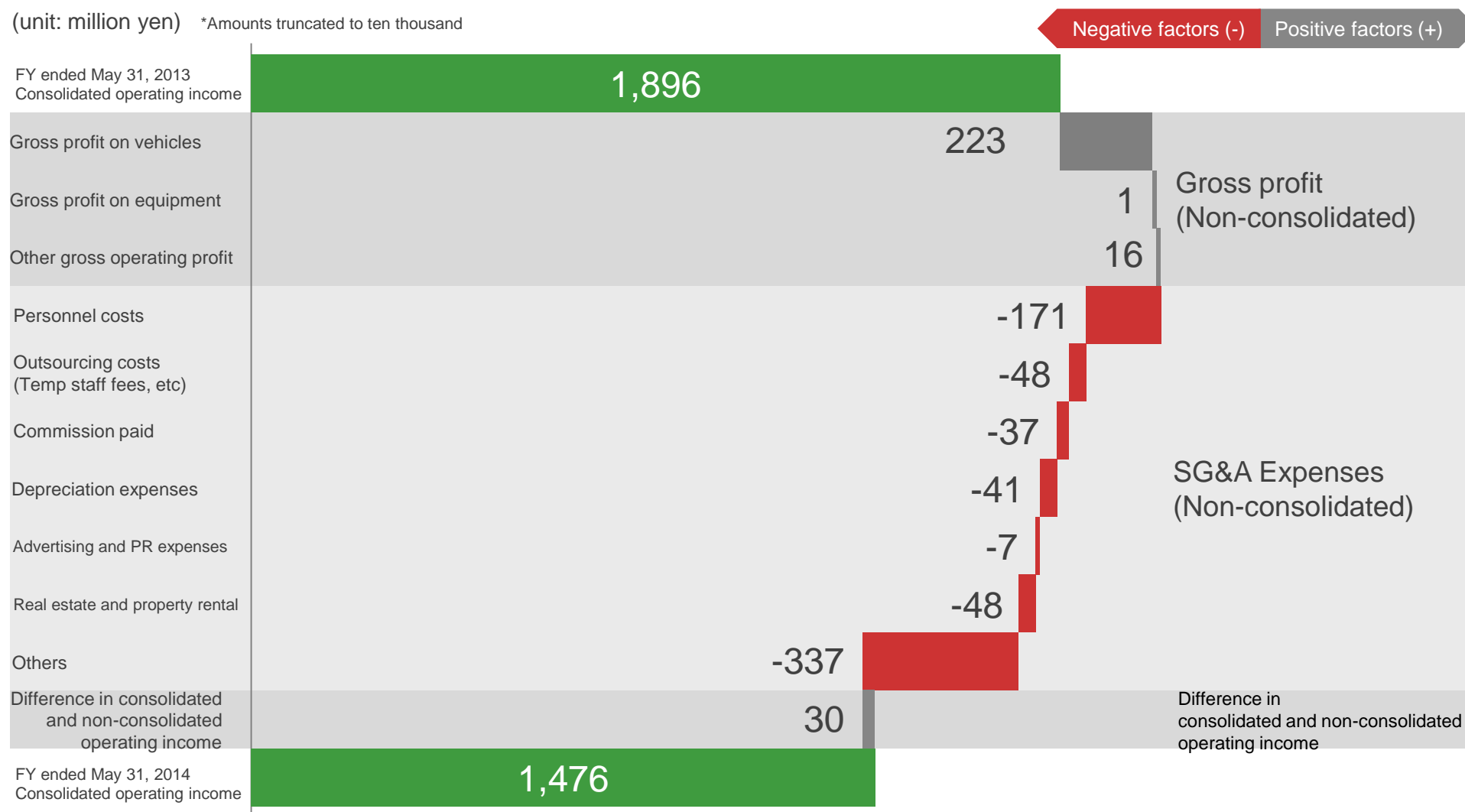
Income Statement

Consolidated	FY ended May 31, 2011		FY ended May 31, 2012		FY ended May 31, 2013		FY ended May 31, 2014			
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	37,141	100.0	38,755	100.0	45,729	100.0	38,845	100.0	-6,884	-15.1
Cost of sales	27,739	74.7	31,019	80.0	36,676	80.2	29,453	75.8	-7,223	-19.7
Gross profit	9,402	25.3	7,736	20.0	9,053	19.8	9,391	24.2	338	3.7
SG&A Expenses	6,502	17.5	7,038	18.2	7,157	15.7	7,915	20.4	758	10.6
Operating income	2,900	7.8	697	1.8	1,896	4.1	1,476	3.8	-420	-22.2
Ordinary income	2,903	7.8	747	1.9	1,913	4.2	1,507	3.9	-406	-21.2
Income before income taxes and minority interests	2,463	6.6	679	1.8	1,935	4.2	1,487	3.8	-448	-23.2
Net income	1,529	4.1	348	0.9	1,227	2.7	910	2.3	-317	-25.8

Non-Consolidated	FY ended May 31, 2011		FY ended May 31, 2012		FY ended May 31, 2013		FY ended May 31, 2014			
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	35,924	100.0	38,428	100.0	45,388	100.0	38,172	100.0	-7,216	-15.9
Cost of sales	27,134	75.5	30,833	80.2	36,472	80.4	29,013	76.0	-7,459	-20.5
Gross profit	8,789	24.5	7,594	19.8	8,916	19.6	9,158	24.0	242	2.7
SG&A Expenses	6,224	17.3	6,963	18.1	7,082	15.6	7,774	20.4	692	9.8
Operating income	2,565	7.1	630	1.6	1,834	4.0	1,383	3.6	-451	-24.6
Ordinary income	2,570	7.2	674	1.8	1,850	4.1	1,396	3.7	-454	-24.5
Income before income taxes	2,151	6.0	668	1.7	1,848	4.1	1,382	3.6	-466	-25.2
Net income	1,270	3.5	375	1.0	1,161	2.6	838	2.2	-323	-27.8

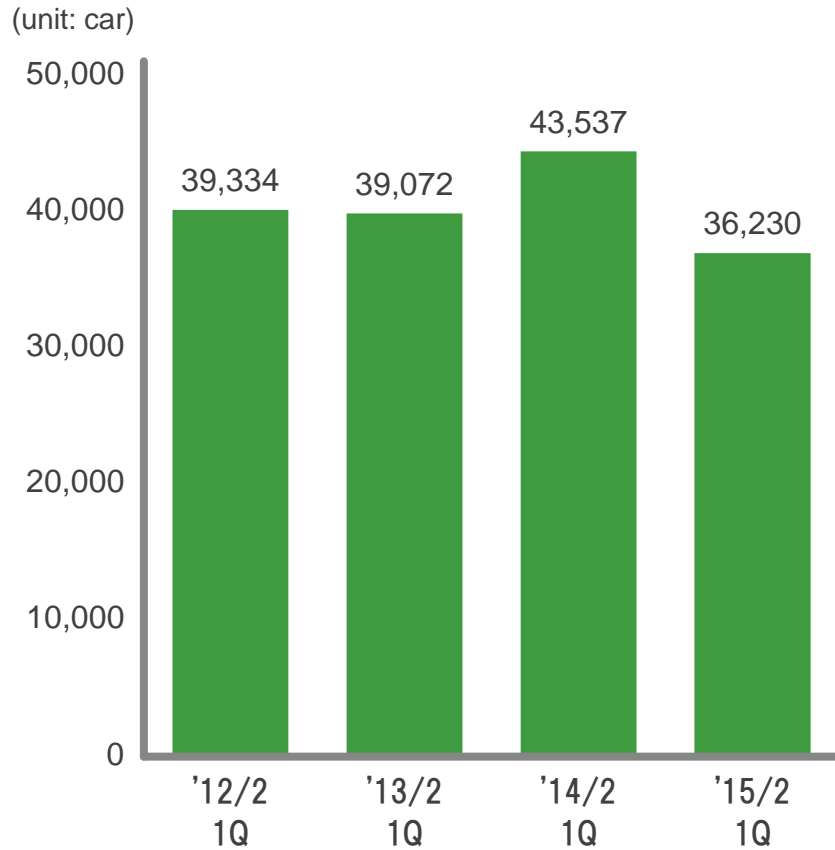
Analysis of change in consolidated operating income

(unit: million yen) *Amounts truncated to ten thousand

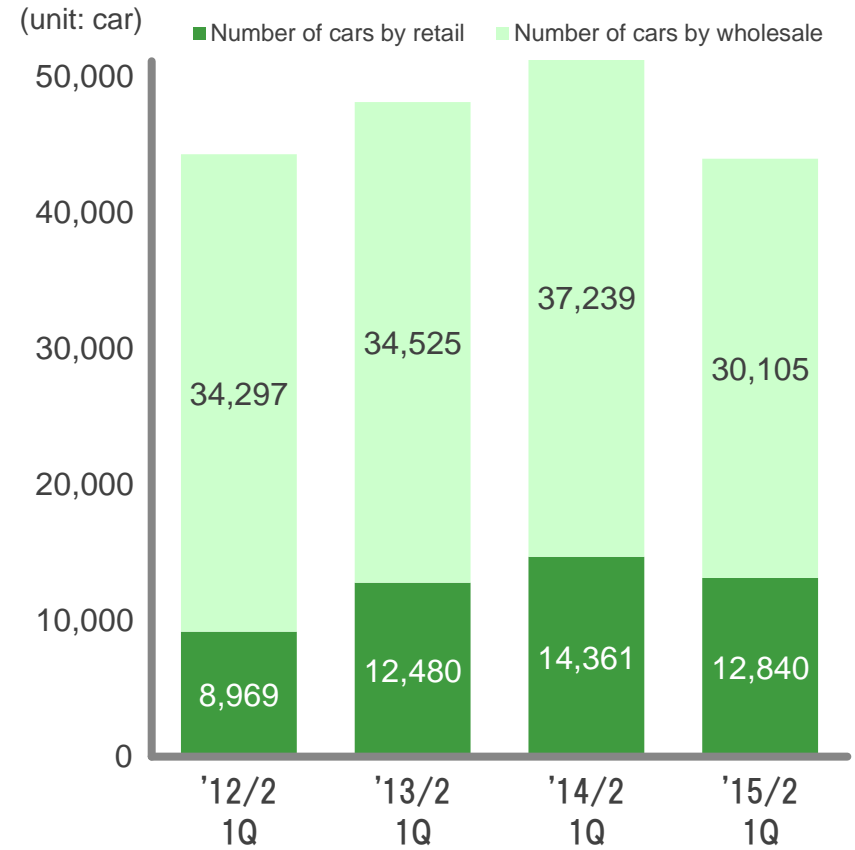


Transaction Volume

Number of cars purchased

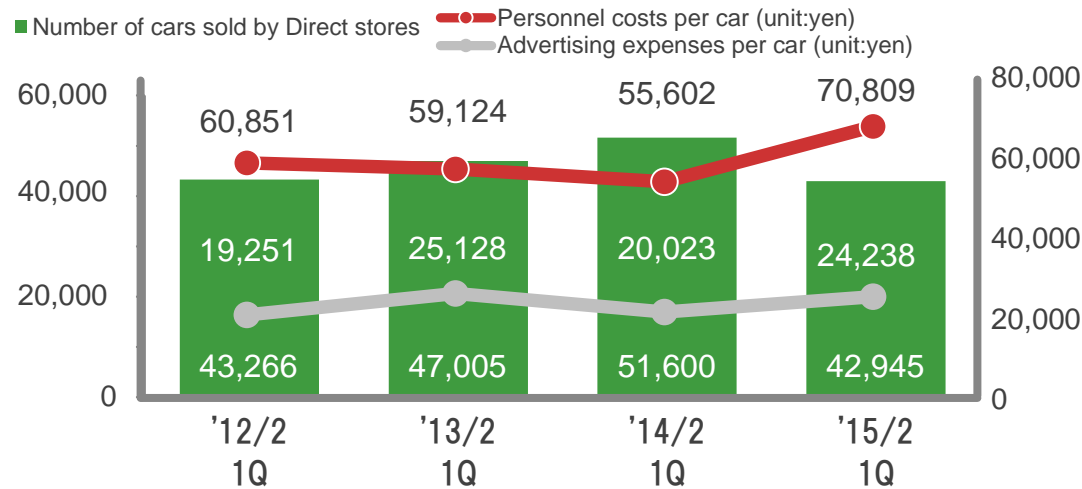
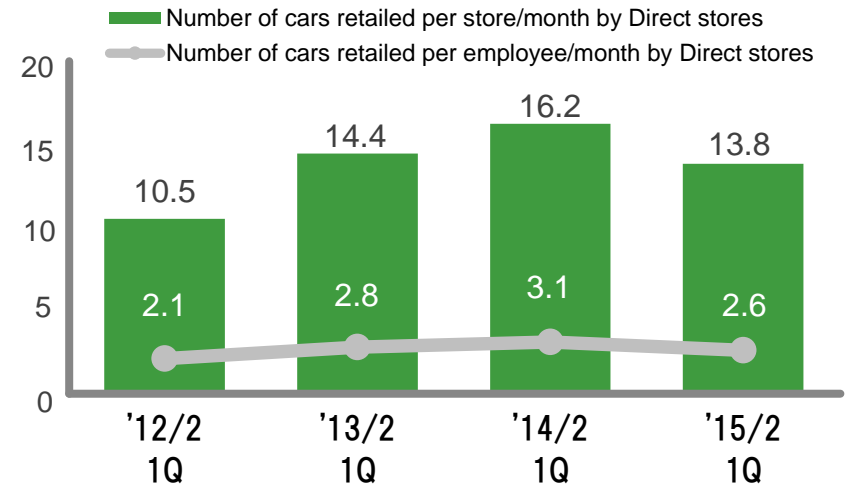
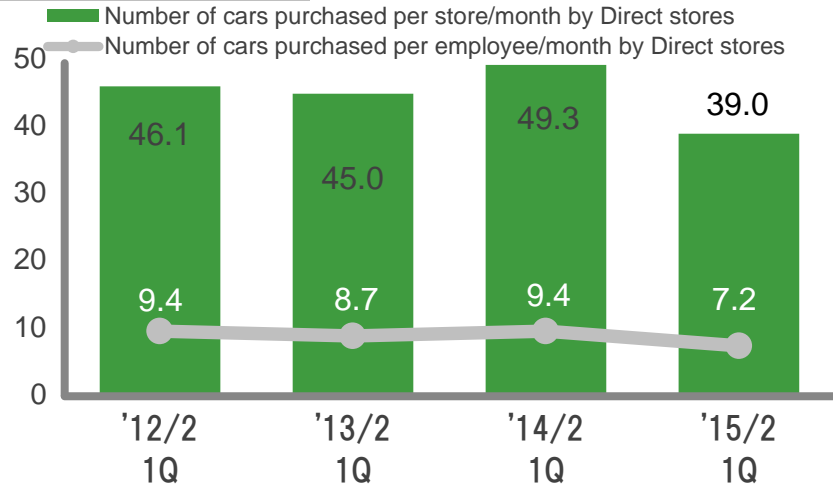


Number of cars by wholesale and Number of cars by retail



Productivity Indicator

Productivity Indicator



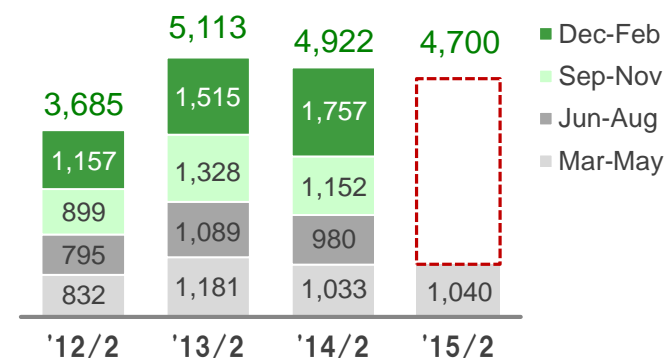
SG&A Expense (Non-Consolidated)

	FY ended May 31, 2011		FY ended May 31, 2012		FY ended May 31, 2013		FY ended May 31, 2014			
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Personnel costs	2,632	7.3%	2,779	7.2%	2,869	6.3%	3,040	8.0%	171	6.0%
Outsourcing costs (Temp staff fees,etc)	241	0.7%	301	0.8%	277	0.6%	325	0.9%	48	17.3%
Commission paid	124	0.3%	136	0.4%	135	0.3%	173	0.5%	38	28.1%
Depreciation expenses	271	0.8%	275	0.7%	295	0.6%	337	0.9%	42	14.2%
Advertising and PR expenses	832	2.3%	1,181	3.1%	1,033	2.3%	1,040	2.7%	7	0.7%
Real estate and property rental	1,077	3.0%	1,153	3.0%	1,234	2.7%	1,283	3.4%	49	4.0%
Others	1,044	2.9%	1,135	3.0%	1,235	2.7%	1,573	4.1%	338	27.4%
Total	6,224	17.3%	6,963	18.1%	7,082	15.6%	7,774	20.4%	692	9.8%

Basic data

		FY ended May 31, 2011	FY ended May 31, 2012	FY ended May 31, 2013	FY ended May 31, 2014
Employees (Head office)	person	519	514	502	499
Employees (Direct stores)	person	1,419	1,517	1,531	1,725
Total employees	person	1,938	2,031	2,033	2,224
Capital investment(stores)	million yen	32	32	125	706
Capital investment(system, etc)	million yen	27	142	53	388
Total capital investment	million yen	59	174	179	1,095

Advertising expenses (million yen)



Consolidated Balance Sheet

(unit: million yen)

	As of February 28, 2014	As of May 31, 2014
Assets		
Current assets		
Cash and deposits	14,688	15,599
Notes and accounts receivable – trade	7,163	4,514
Merchandise	9,414	7,147
Deferred tax assets	1,210	963
Other	1,046	1,048
Allowance for doubtful accounts	△59	△58
Total current assets	33,463	29,214
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,586	16,295
Accumulated depreciation	△5,605	△5,714
Buildings and structures, net	9,981	10,581
Vehicles	215	198
Accumulated depreciation	△185	△191
Vehicles, net	30	6
Tools, furniture and fixtures	2,740	2,749
Accumulated depreciation	△2,165	△2,144
Tools, furniture and fixtures, net	575	604
Land	218	218
Construction in progress	184	593
Total property, plant and equipment	10,989	12,004
Intangible assets		
Software	993	1,048
Other	17	175
Total intangible assets	1,011	1,223
Investments and other assets		
Investment securities	3	3
Shares of subsidiaries and associates	435	36
Long-term loans receivable	251	251
Lease and guarantee deposits	3,319	3,389
Construction assistance fund receivables	2,812	2,987
Deferred tax assets	253	242
Other	302	326
Allowance for doubtful accounts	△62	△62
Total investments and other assets	7,315	7,173
Total non-current assets	19,316	20,402
Total assets	52,779	49,616

	As of February 28, 2014	As of May 31, 2014
Liabilities		
Current liabilities		
Accounts payable – trade	2,852	1,920
Short-term loans payable	-	88
Accounts payable – other	1,721	1,794
Income taxes payable	2,116	420
Deposits received	98	197
Provision for bonuses	440	48
Provision for merchandise warranties	1,817	1,272
Other	4,478	4,424
Total current liabilities	13,525	10,167
Non-current liabilities		
Long-term loans payable	4,000	4,060
Long-term guarantee deposited	741	743
Provision for directors' retirement benefits	474	482
Asset retirement obligations	1,191	1,191
Total non-current liabilities	6,407	6,477
Total liabilities	19,933	16,644
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	28,548	28,674
Treasury shares	△3,975	△3,975
Total shareholders' equity	32,761	32,888
Accumulated other comprehensive income		
Foreign currency translation adjustment	80	79
Total accumulated other comprehensive income	80	79
Subscription rights to shares	4	4
Total net assets	32,846	32,971
Total liabilities and net assets	52,779	49,616